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The
Hudson's Bay Company

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H U D S O N ' S B A Y C O M P A N Y .

By

Evelyn Burrill.

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Preface.

The present study of the Hudson's Bay Company was undertaken with the hope that it might result in the statement of some facts of importance and interest regarding the history and operations of the last great monopoly. Its control over American territory was so extensive, so powerful and so extended, and the policy it consistently pursued throughout its long continued existence was so definite and consequential, that its relation to the history of British North America has great significance. Special stress has been laid upon the Company's trade, their relations with and influence upon the Indians, and their effect upon colonization.

As the study progressed, it became more and more evident that the material which could be obtained was inadequate. This has checked some lines of investigation entirely and made others incomplete and probably faulty. It has been necessary to base statements upon secondary authorities, and no large number of these has been found; this is notably true in the case of the discussion of the Company's operations in Oregon.

An orderly treatment of the subject would lead to an analysis of the economical and political history of the monopoly. Aside from the Jesuit Relations and the Canadian Archives the only original material available has been five volumes of British Documents relating to colonies; these are concerned largely with the investigations of 1749, 1847, and 1857, occasioning the artificial analy-

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sis of the subject having as its basis these investigations.

The use of the plural pronoun with reference to the Company may excite criticism; its adoption follows the usage in the official documents.

It is hoped that at some later date it may be possible to make this study more nearly complete and more satisfactory.



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THE HUDSON'S BAY COMPANY.

CHAPTER I.

The Grant to the Company.

The sixteenth, seventeenth and eighteenth centuries represent a period of bold, adventurous explorations crowned with wonderful discoveries. These wild roving resulted in arousing in men the spirit of colonization and in giving an enormous impetus to commercial enterprise. The times and conditions were not such as to encourage individual efforts in trading but were favorable to collective enterprise. This took the form of great monopolistic companies, like the East India Company or the London Company, chartered by the crown. With national progress, these monopolies were found to hinder rather than to promote both individual and national interests, so one by one their charters were annulled. The last to expire, living far into this century, like a venerable tree in a new forest of different variety, was the great Hudson's Bay Company. The Company's life extended over a period of just two hundred years, their charter, granted by Charles II. in 1670, being taken from them finally in 1870.

The charter,¹ dated May 2, 1670, granted by the "especial grace, certain knowledge and mere motion" of Charles II., was given to a company composed of nineteen noblemen and citizens, the first of whom was Prince Rupert, cousin of the king. The charter states that this group of men had, at their own expense, undertaken an expedition to the northern part of North America, to discover a new passage to the South Sea, and to find trade for furs, minerals and other commodities; and that this grant was made to encourage further attempts in the same directions. It gave to them the privilege of the "sole trade and commerce of all those seas, straits, bays, rivers, lakes, creeks and sounds, in whatsoever latitude they shall be, that lie within the entrance of the straits commonly called Hudson's Straits, together with all the lands and territories upon the countries, coasts and confines of the seas, bays, lakes, rivers, creeks and sounds aforesaid, which are not actually possessed by, or granted to any of our subjects, or possessed by the subjects of any other Christian Prince or State".² Sole rights of fishing and mining over the same territory were also conveyed.³ The charter con-

1--Appendix to the Report relating to the Hudson's Bay Company, in Reports from Committees.--II. Miscellaneous. 1738-65.--No. I. 237-42.

2--Reports from Committees.--II: 237.

3--Ibid. 239.

stituted the Governor and Company the true and absolute lords and proprietors of the territory granted to them, saving always the faith, allegiance and sovereign domain due the rulers.¹

For the lands and monopolies thus granted the Company were to pay yearly to the king and his successors two elks and two black beavers.² The charter provided for a Governor and Deputy Governor to be elected by the Company annually, and for a Committee of the Company consisting of seven members, chosen for the same term and in the same manner. This Committee of seven, or any three of them, together with the Governor or Deputy Governor, were given direction of the voyages for the Company, of the provisions and merchandise belonging to it, of the sale of the merchandise, and of the management of all other business.³ The Governor and the Company might make laws and ordinances for the government of their territory and the advancement of their trade.⁴ They might admit into the Company such servants and factors and all such other persons as they deemed fit and agreeable with the laws and ordinances of the Company, every person having a number of votes according to his stock.⁵ For the security and defence of its trade and territory, the Company could employ an armed force and could erect castles, fortifications, forts, plantations and towns.⁶ It was also given full judicial

1--Reports from Committees.--II:239. 2--Ibid. 240.

3--Ibid. 238. 4--Ibid 240. 5--Ibid 241. 6--Ibid. 241.

authority over its lands and their inhabitants, having power to impose penalties and punishments; but the people held a certain guarantee of right in the proviso that such penalties should be reasonable and not contrary to the laws of England, and that criminals might be judged either by the Company's laws, or sent to England for trial.¹ Rights of trade were absolutely withheld. No English subject might directly or indirectly, visit, haunt, frequent, trade, traffic, or adventure, into or from any of the Company's territories without leave in writing under the seal of the Company, under penalty of forfeiture and loss of all such goods brought from thence to England or any of its domains, one half of such forfeitures to go to the king, the other half, to the Company.² Even His Majesty would not grant liberty of such trade without the consent of the Company. The Company was placed under obligations to supply its forts and towns with all kinds of clothing, provisions, ammunition, and implements, and to pay duties and customs on the same.³

The lands thus granted to the Company comprised a region whose extent was entirely unknown to the grantor. Indeed its boundaries⁴ were never definitely fixed, being always a matter of controversy between the Company and the government of Canada. The Company construed the charter as conveying to them all the lands whose waters drained into the Bay. This construction placed the Rocky

1--Reports from Committees.--II: 242. 2--Ibid. 240.

3--Ibid. 242. 4--Ellis, in Winsor: Narrative and Critical History--VIII: 15 & 44.--Barrows: Oregon. 39.

Mountains as the western limit, the Arctic as the northern, and left the southern a matter of dispute. It comprised an area of about 1,500,000 square miles.

CHAPTER II.

The Title Contested.

The title, given to English subjects, of these vast lands so full of fur-bearing animals, was not allowed to pass uncontested.¹ The French, then in possession of the region immediately to the south, were daringly pushing their explorations and settlements in every direction. Two adventurers, Groselliers and his brother-in-law, Radisson, explored the region of the Great Lakes and may have penetrated even to the Mississippi (1660). It was asserted by the French that in the course of their wanderings they went north as far as James' Bay, returning from this expedition in 1663. The best claim² the French could make to the Hudson's Bay region depended upon the establishment of the truth of this supposed expedition. When the claims were made the subject of international investigation³, they attempted to establish this but they were unable to furnish definite proof, and their own earlier statements, that Pere Albanel's expedition in 1672, was the first made overland to Hudson's Bay⁴, refuted their later assertion. Groselliers and Radisson, being dissatisfied with the treatment they had received from the French,

1--See-Kingsford--II and III--Winsor: Cartier to Frontenac. 185-187. 2--Kingsford--III: 2-3. 3--Canadian Archives;-1883. 180, 183, 192. 4--Jesuit Relations--LVI: 149, 213.--Kingsford--III: 1.

sent to England and solicited the aid of Prince Rupert¹ and some of his friends. They supplied the explorers with two ships, placing them under the command of Capt. Zachary Gillam of Boston. In 1667 these men sailed into Hudson's Bay and built a fort there. This was followed, three years later, by the chartering of the Hudson's Bay Company. When Talon², the French intendant, learned that English vessels had been in the Bay, he sent the Jesuit Pere Albanel north to found a mission which would prepare the way for French occupation and trade, and would thus thwart the English ambitions. Father Albanel succeeded in reaching the shores of the Bay, June 28, 1672³, and there took formal possession for the French king. The English, however, remained in undisturbed authority, building forts and factories and promoting their trade, until 1682⁴. In that year Port Nelson was attacked by an expedition sent out by the French Company of the North; Talon's successor, Duchesneau, had urged the Company to try to drive out the English, and the expedition, though failing to expel the English, succeeded in injuring their trade and burning their houses. In Aug. 1683, LaBarre, the French governor in America, received orders from Louis XIV, to prevent as far as possible, the English from establishing themselves in Hudson's Bay⁵. About the same time Dongan, who was then governor in New York, received orders to interfere in no way with French interests in Canada. La Barre first sent DuLhut to prepare the way, then, in 1685, sent

1--Winsor--197. 2--Jesuit Relations--LVI: 149. 3--Jesuit Relations--LVI: 185. 4--Canadian Archives--1883. 178. 5--Kingsford--II: 46.

an overland expedition, under the command of De Trayes and Iberville, to attack the English. They captured two forts together with some ships and provisions and furs. At this same time negotiations were going on between the two Catholic rulers, Louis XIV and James II, both of whom must have known fairly well the real state of affairs in America, and both of whom, it is to be feared, were more united than divided in their interests. It was a period of peace between the nations and France had made especial professions of friendship¹. To further cement this friendship and particularly to secure perpetual peace between the two powers in America, so it was alleged, a Treaty of Neutrality was concluded, Nov. 16, 1686, confirming the rights of both kings in America.²

When the news reached England of the French encroachments on Hudson's Bay, the Hudson's Bay Company petitioned³ the king for a redress of their grievances, and as a result a Commission consisting of representatives of both countries, was appointed to adjust all differences between the two nations in America. His Majesty's right to Hudson's Bay, as set forth in a memorial⁴ to the French Commissioners, was based upon discovery and occupation. The voyages of Cabot, 1497, and Hudson, 1610, were cited. Sir Thomas Button in 1612, and Capt. Luke Fox in 1631, both sailed into the Bay, and both erected crosses in token of English possession of the land. Capt. Gillam's expedition of 1667 was mentioned, and it was

1--Kingsford--III: 19. 2--Canadian Archives--1883. 178.

3--Ibid. 173. 4--Ibid. 177-8.

stated that in that year he took possession of the lands, built Charles Fort, and started trade with the natives. In 1669 Capt. Newland entered the River of Port Nelson, and again His Majesty's arms were set up. The remainder of the claim was based upon transactions in connection with the Hudson's Bay Company. In 1670 the charter was granted. In 1673 Chas. Bayley was sent by the Company as Governor of the factories within the Bay; he succeeded in preserving friendly relations with Frontenac, then Governor of Canada, who made no complaint of injury done the French by the Company or their agents, either in the establishing of commerce or the building of forts at Hudson's Bay. Capt. Draper, in one of the Company's ships, entered the River of Port Nelson in 1680. In 1682 the English were first disturbed by the French in Port Nelson. Up to that date the Company had expended altogether £ 200,000 in building forts and factories within the limits of their charter.

After due examination of the claims, the English Commissioners¹, under orders of the king, insisted upon His Majesty's right to the whole of Hudson's Bay, and to the sole trade in that region. The terms agreed to with the French Commissioners, Dec. 11, 1687, were that until Jan. 11, 1689, and afterwards until the royal authorities should issue different orders, it should not be lawful for any Governor or Commander-in-Chief of any of the lands in America belonging to either king, to commit any act of hostility



against the subjects of the other king.

The War of Ausburg, with its attendant European upheaval, affected also the relations of French and English subjects in America. The French commanded by Iberville¹, sailed with two vessels into Hudson's Bay in the fall of 1694. They landed and prepared to besiege Fort Nelson, but this proved unnecessary as the English surrendered, Oct. 14, before a gun was fired. The French took possession and renamed the trading post Fort Bourbon. The English recaptured the fort in 1695, only to be attacked again the following year. Iberville was once more in command of the expedition, but this time his task proved a more difficult one². After a desperate sea fight in which he was successful against great odds, Iberville bombarded the fort. He was met by a valiant resistance, and it was only after being summoned three times to surrender, that the commander, a Hudson's Bay Company agent, lowered the flag; then it was with honorable terms and he left the fort with arms and baggage, with drums beating and colors flying. By the eighth article of the Treaty of Ryswick³, Sept. 1697, provision was made for the appointment of a Commission to determine the rights of both kings in Hudson's Bay; the same article especially stipulated that the French should remain in possession of Fort Nelson. The question of owner-

1--Jesuit Relations--LXIV: 261-63--LXVI: 99-101, 119.

2--Parkman: Frontenac and New France under Louis XIV.--391-93.

3--Macdonald: Select Charters Illustrative of American History--1606-1775. 223.

ship was not definitely settled until 1713 when in the Treaty of Utrecht¹ this agreement was made. "Art. X. The said most Christian King shall restore to the kingdom and Queen of Great Britain, to be possessed in full right forever, the bay and straits of Hudson, together with all lands, seas, sea-coasts, rivers and places situated in the said bay and straits, and which belong thereunto, no tracts of land or of sea being excepted, which are at present possessed by the subjects of France". The English had thus an undisputed right to Hudson's Bay, but they were not entirely free from French encroachments until the cession of Canada by the French in 1763.

1--Macdonald: Select Charters Illustrative of American History--1606-1775. 229.

CHAPTER III.

Investigation of 1749.

The Hudson's Bay Company was wonderfully successful financially from its earliest years and its trade was pushed and advanced by businesslike methods. The amount of stock in 1676 was £ 10,500¹. It was trebled in 1690 and again in 1720, and in 1748 it amounted to £ 103,950. From 1670 to 1690 the Company paid dividends² of 50% and from 1690 to 1783 of between 60% and 70%. For the year 1746 the Company's exports to America amounted to £ 3,320, and the imports from America, to £ 8,560. These figures were custom house values, cast up by fixed and standing estimates, not at the real price at which the articles were bought and sold³. The sales made by the Company from 1747-1748 amounted to £ 30,160⁴. The cost of carrying on the trade and maintaining the factories for the year 1748 was £ 17,352⁵. Four vessels⁶ of 190, 170, 130 and 120 tons burden were employed in the trade. There were at this time six forts⁷, all clustered about the Bay; Moose Fort, at the mouth of the Moose River,

1--Appendix to the Report relating to the Hudson's Bay Company, in Reports from Committees--II. Miscellaneous, 1738-65--No. XVIII. 256. 2--Living Age--XCIV: 324. 3--Reports from Committees--II: B. 283. 4--Ibid. No. XXIV. 266. 5--Ibid. No. XXIII. 262. 6--Ibid. No. XVI. 254. 7--Reports from Committees. II: No. IX. 251.

and East Main Fort, at the mouth of the East Main River, were both thus on James Bay. Forts Albany and Henley were in the interior, Fort Albany being not far from Lake Winnipeg and Henley House to the southeast, on the Moose River. Forts York and Prince of Wales were on the west coast of Hudson's Bay.

So much effort was expended in advancing trade and apparently so little in other directions, that the Company was subjected to much criticism and finally to a parliamentary investigation. This occurred in 1748 as a result of a petition from Arthur Dobbs, in behalf of a number of adventurers who were attempting to find a passage to the South Sea¹. The object of the petition was to secure a grant of the lands which might be discovered, which were not already occupied and settled by the Hudson's Bay Company, though these lands might be within their territory; and to secure the exclusive trade to and from such countries². The petitioners stated that they had already made such extensive explorations that the reward of £ 20,000 given by Parliament was not adequate to the expenditure necessary to complete their discovery. They said that at a previous time, as reward for similar attempts, Charles II had granted to the Hudson's Bay Company their charter, hence they should receive like encouragement. Moreover the petitioners alleged that the Hudson's Bay Company charter was "Either void in its original creation, or become forfeit by the Company's conduct under it." As to the first

1--Reports from Committees--II: No. IX. E. 284. 2--Ibid.

claim, that the charter was void, because of the uncertainty of its extent and because exclusive trade within such limits was a monopoly, the Committee of Investigation held¹ that since the Company had enjoyed and acted under this charter so long without interruption and encroachments, it would not be advisable for His Majesty to make any declaration against its validity till there had been some judgment from a Court of Justice to warrant it; also that the petitioners own grant, if obtained, would be liable to the same objection. As to the second claim, concerning the forfeiture of the charter, the Committee thus summarized² the charges brought by the petitioners against the Company:- "that they have not discovered, nor sufficiently attempted to discover, the North-west Passage into the South Seas, or Western Ocean; that they have not extended their settlements through the limits of their charter; that they have designedly confined their trade to a very narrow compass, and have for that purpose abused the Indians, neglected their own forts, ill-treated their own servants, and encouraged the French".

The Committee made a searching investigation of these charges, examining many witnesses on both sides. Testimony concerning exploration naturally found the most prominent place. Evidence was introduced which showed that though the Company had found it difficult in its earliest years to induce its servants, even by such means as advance in salaries³, to brave the appalling dangers

1--Reports from Committees--II. E. 285. 2--Ibid. 286.

3--Reports from Committees--II. No XXVII. 274-75.

of the wilderness in the interests of internal exploration and trade, such journeys had become gradually more frequent and more extensive, though the entire territory had not yet been traversed. The Company produced a number of letters, orders to their servants, to prove their zeal in the search for the North-west Passage. They had been in existence nearly eighty years, yet they were able to cite only ten such exploring expeditions¹ and the letters introduced afforded testimony to a different sort of zeal from that which the witnesses were professing. Several of the letters contain instructions for observations concerning the character of the people and the kinds and quantity of the game; one contains orders to open up trade². Another, by its lukewarm tone, tells plainly how nearly a matter of pure form these instructions for exploration were. It is directed to Richard Norton and Council, at Prince of Wales Fort, 1725. It reads³, " And if you can by any means find out any discovery or matter to the Northward, or elsewhere, for the Company's interest or advantage, fail not to let us know every year, with your remarks and opinion thereupon; and we shall make due improvement thereof". Where the choice had lain between pushing exploration or fur-trade, the Company appeared to have advanced the latter regardless of what neglect of the former it occasioned; but it must be admitted that some efforts to promote exploration had been made.

1--Reports from Committees--II. No. II. 249. 2--Ibid. No. XX. 259. 3--Ibid. No. XVI. 254.

Evidence concerning colonization and the condition of the Indians is neither very abundant nor very significant in this report. Mr. Edward Thompson¹, who had been three years at Moose River in the Company's service as surgeon, stated that he considered the soil and climate at Moose River suitable for the production of peas, beans, barley, hemp and flax; peas could be sown in the middle of May, when the ground could be dug for a foot and a half or two feet; but he adds, "if you dig deep, even in August, the frost is in the ground" .

After its careful examination of the witnesses, the Committee concluded² that the charges brought against the Company were either not sufficiently supported in point of fact, or were in large measure accounted for by the nature and circumstances of the case. This conclusion seems well founded. It was not astonishing that a passage to the South Seas or Western Ocean had not been found, but it was probably true that sufficient activity had not been expended in that direction. Settlements had not been extended,, but the terms of the charter placed the Company under no obligations to make such extension. Conclusive proof was not given that forts had been neglected, the French encouraged, or the Company's servants and the Indians mistreated.

1--Reports from Committees--II: 222. 2--Ibid.F. 286.

CHAPTER IV.

Management of the Business.

The Company was uninjured by the investigation of 1748, and its quiet, prosperous activity continued. By this time the Company had already evolved an orderly system of conducting its business. Though its lines of travel were extended, the number of its forts and of its employes multiplied, and its territories increased, the character of the service changed remarkably little till the withdrawal of the charter a hundred years later, hence it will not be out of place to consider it at this point. Though the word "service" may sound odd in connection with the operations of a business corporation, it is yet a fitting term, for the organization of the Company was almost military in its nature. Its servants were drawn from three classes of people¹, Scotch Highlanders, Orkney men and half-breeds, the proportion of the latter growing gradually larger. The Highlanders and Orkney men were usually employed be-

1--Romance of the Fur-Trade: The Companies, in Blackwood's, Oct. 1898--CLXIV: 499--Robinson: The Honorable Hudson Bay Company, in Harper's Mag. of June, 1879--LIX: 19--Ralph: A Skin for a Skin, in Harper's Mag. Feb. 1892--LXXXIV: 375.

cause they were innured to lives of hardship and solitude and were by nature fearless and adventuresome. They entered the service when young, usually under twenty, and were enlisted first for five years¹; but it was understood that under ordinary circumstances the occupation was taken up for life. There were servants, and many of them, who returned to the old country and complained bitterly of the harshness and injustice of their employers, and of the terrible privations and sufferings accompanying the work; but there were many more who became so enamoured of the service, with its isolated, dull monotony, broken by wild, terrible adventures which had to be met by coolest, keenest exercise of mental faculties, and by most daring, sometimes exalted courage, that they had no desire to return to their early homes, or returning, became homesick for the white, silent wilds and went back to them. There were variations in rank² from the noncommissioned servants to the commissioned officers. The grades of non-commissioned servants were laborer, interpreter, and post-master; these received regular salaries³, varying from £ 20 to £ 100. The lowest commissioned officer was the clerk or trader; he was paid a minimum salary upon the profits of the trade. The higher officers were junior chief trader, chief trader, factor, chief factor, and finally, highest in America, the governor or chief commissioner. The chief factors and chief traders were not salaried

1--Harper's Mag.--LXIX: 20. 2--Ralph: Talking Musquash, in Harper's Mag. Mch. 1892--LXXXIV: 501. 3--Harper's Mag.--LIX: 19. LXXXIV: 501--Barrows, 93.

but were paid by shares in the annual profits. The chief trader had one share, the chief factor, two. Promotions were made when vacancies occurred from the next lower ranks, and fitness, rather than seniority in the service, was made the criterion for advancement. In earlier years retiring officers were pensioned for life, in later times for a fixed term of years. In the investigation of 1857, when Sir George Simpson, then the Governor in America, was on the witness stand, he made these statements about the Company's employes, which show how little the service had altered at that late date. "There is a governor-in-chief; there are 16 chief factors, who are principal officers, members of our council; 29 chief traders, 5 surgeons, 87 clerks, and 67 postmasters; the last rank between the laboring man and the clerk. These constitute all those employed at the trading posts. There are about 1200 permanent servants, about 500 voyageurs and other temporary servants besides 150 officers and crew of vessels. About 3000 persons are employed in the trading season¹. The greater portion of our servants are Orkney men; there are a few Highlanders and a very few Shetlanders; a large proportion of our servants are half-breeds. There is no regular provision for the servants beyond that of liberal wages, but in deserving cases small pensions are never refused. The servants often save money enough to retire upon². The servants of the Company are generally engaged for five years, but they mostly continue in the service for many years.

1--Reports from Committees: Hudson's Bay Company--XV: 1857.

57. 2--Ibid. 61.

Factors and chief traders have an interest in the trade and are not paid by salary¹. Supervision is exercised with a view to discipline² and good conduct among the Company's servants". These servant shareholders came gradually to exert more influence in the direction of the business of the Company³. Hon. E. Ellice, another witness in the investigation of 1857, explained just what their power at that time had grown to be. He said⁴, "A Council is composed, in the interior, of the chief factors, the higher class, which meets every year. The trade is directed, first of all, by the Board of Directors at home, but like the East India Company, they have their council in the interior, which regulates the local concerns of the company. That council, which meets every year, audits those accounts, sends orders home for the goods required for the ensuing year's trade, stations the various servants of the Company at such posts as the council may think they are best qualified to occupy, and if vacancies occur in the service, recommends to the directors at home the fit persons then being in the service to succeed to those vacancies. So, in fact, the whole affairs of the Company, so far as the fur trade is concerned, are conducted by that council, subject to the control and superintendence of the Board of Directors at home".

From the earliest years, discipline, rigid but not severe, was exercised, and the attempt was made to maintain the moral tone of the servants; and though the enemies of the Company often testi-

1--Reports from Committees. Hudson's Bay Company--XV: 1857. 69-70. 2--Ibid. 59. 3--Harper's Mag.--LIX: 19. 4--Reports from Committees--XV: 325.

fied to the contrary, the best evidence seems to prove that the standard of morality was higher than among men of similar grades in other countries. One practice, however, which the Company both allowed and encouraged, lowered the morals and plane of civilization of its servants and was directly effective in hindering colonization. It was that of the intermarriage¹ of its employes with the Indians. Agents and traders who had Indian relatives were apt to be able to better advance the Company's trade. Half-breeds were excellent trappers and voyageurs and could speak two or three languages. Occasionally an agent sent an order to London for a wife; but a servant wedded to an Indian squaw was also wedded to the wilderness and to the interests of the fur trade, so alliances of the agents with those of their own race were not encouraged. As a result transitory Indian villages, or rather camps, and squalid Indian tepees continued to exist, and English towns with neat respectable English homes were nowhere to be found. One needs not to relate the effect upon the population. Barrows says that society in the Hudson's Bay country became a dubious hyphen between the savage and the civilized. But the game preserve was uninjured and the efficiency of the hunters and traders was heightened, so the Company approved. It is true, however, that while the French sank quickly and naturally quite to the level of their Indian wives, the English often brought their wives nearer to their own plane.³

1--Barrows: 69, 93, 94, 125-6--Harper's Mag.--LXXXIV: 498, 509. 2--Barrows: 126. 3--Harper's Mag.--LXXXIV: 502.

Though so nearly exiled from the world the Hudson's Bay servants were yet kept remotely in touch with it. A mail packet¹ on its annual round brought letters and newspapers. At first, on account of the bulk, only one paper, the "Montreal Gazette", was allowed to be sent. Sledges were carefully constructed to be closely packed with mail and were drawn by dogs called "huskies", a peculiar breed resembling wolves. The drivers were equipped with snow shoes. The rate of travel was about forty miles a day, and by the time the last mail was delivered the train had traversed 3000 miles. The file of newspapers, already a year old when it started to its readers, was carefully cherished and one paper was brought out each day to be read two years after the events which it described had happened.

Trade with the Indians² was always by barter, with the beaver skin as the standard of value. Skins were not paid for according to their true values, as this would have threatened extinction of the more valuable furs. The standard and method of barter varied a little at the different forts, according to the necessities of trade and to the character of the Indians. The fort somewhat resembled a general country store, in the variety of articles which were kept in it. In the territories where the Indians were peaceful, they were given small sticks in exchange for the furs presented, varying numbers of sticks being given for different skins. These sticks

1--Barrows: 96.--Harper's Mag. LIX: 29. LXXXIV: 502.

2--Harper's Mag. LIX: 23-27. LXXXIV: 496.

took the place of money and could be exchanged for commodities on the Company's shelves. The Indians were permitted to look the goods over and to take time in deciding their purchases. In regions where the Indians were warlike and troublesome different arrangements were made. The Indians with their skins congregated in an outer apartment. Two only were admitted at a time to an inner room; the shelves and the counter behind which the agent stood were protected by a partition, and through this the Indian was obliged to make his trade. But few goods were displayed on the shelves in order that the Indians might not be excited by a frantic desire for possession. Articles were handed to him through an opening in the partition just large enough to permit the passage of a blanket. He designated the articles he wanted by pointing to them. This method of dealing was rendered necessary as Indians who did not approve the price of commodities had been known to express their displeasure by firing at the agent. A tabulated list of commodities for exchange and their values in beaver's skins was furnished by the Company in the investigation of 1748¹. A half a pound of beads exchanged for one beaver skin; a pound of tobacco, an ounce and a half of vermillion, two hatchets, eight knives, a pound and a half of powder, and two sword blades traded each for the same price. One blanket cost six beaver skins, a gallon of brandy, four, a four foot gun, twelve. Thread, needles, thimbles, buttons, cloth, hats, shirts, shoes and stockings were kept, as well as feathers, rings, gloves and looking-glasses. Some articles which suggest a touch of humor are named--ivory combs,

1--Reports from Committees.--II: 1738-65.--No. XIX: 257.

egg boxes, worsted binding, goggles, spoons and handkerchiefs. Orders were sent to London for the merchandise required, and these orders remained almost unvaried for over two centuries¹. Formerly these goods advanced but slowly from the coast factory to the interior, and the skins for which they were bartered returned but slowly, too; from six to seven years elapsed from the time an article left London till the skin for which it was exchanged reached that place². With improving transportation, of course that time was lessened. Factories always kept two years supplies on hand.

1--Barrows: 40--Harper's Mag.: LIX: 22. 2--Harper's Mag. LIX: 31.

CHAPTER V.

Conflict with the North-west Company.

When Canada was ceded to the English in 1763, men who were more zealous about pushing into the interior¹, into the very centre of the country, took up the trade; their numbers and prosperity constantly increased, and in 1783 a number of them were organized at Montreal, as the North-west Company². Its members were principally Scotch and Canadians and its employes half-breeds. This new company disputed the rights of the Hudson's Bay Company, claiming³ that their charter was invalid, as it had not been sanctioned by Parlia-

1--Harper's Mag.: LXXXIV: 384.--The Red River Country, in Living Age, Aug. 10, 1867. XCIV: 324.

2--On North-west Company see: Ross, Alex. The Red River Settlement. Living Age. Aug. 10, 1867. XCIV: 323-342. The Red River Country. Ralph, in Harper's Mag., Feb. 1892. LXXXIV: 373-94. A Skin for a Skin. Canadian Archives 1886, 1888, 1890, 1892.

3--Living Age. XCIV: 324-5. Harper's Mag. LXXXIV: 386.

ment, and that, had it been, it would be unconstitutional, as it granted a monopoly. On these grounds it claimed that all British subjects had a right to trade in the North-west, and, though never incorporated, it vigorously exercised this claimed right for a number of years. The Hudson's Bay Company found in the North-west Company, a very dangerous opponent, and its advances were bitterly resisted. The rivalry was productive of the most evil results. Real warfare ensued, the organized forces of the two companies frequently coming into conflict. The worst practices of Indian barbarism were common and horrible atrocities were constantly committed. Not only did the white men degenerate under such influences, but by the wholesale use of rum, the Indians were made a hundred times more barbarous and fierce than they were by nature. The trade of the Indians was bought by fiery spirits and they were sought and courted in the forests as they never had been before¹. The trade itself suffered terribly; the more valuable fur-bearing animals were nearly exterminated--they were killed entirely regardless of sex and at all seasons of the year; the wildest were driven almost beyond human reach. Years this fight went on, and the North-west Company prospered. Its prosperity drew into its ranks members of the Hudson's Bay Company, and these persons, with their double, opposed interests, heightened the confusion². Hudson's Bay Company dividends had, in 1800, fallen from between 60% and 70% to 4% and eight years later they were un-

1--Ross: 55. Living Age: XCIV: 324. Blackwood: CLXIV: 501
Hudson's Bay Company, in Accounts and Papers. Colonies. XXVII: 13
and 15. 2-- Harper's Mag: LXXXIV: 386.

able to pay any dividend at all¹. The number of posts and of employees of the new company grew to be much greater than those of the old². The Hudson's Bay Company saw that some new plan would have to be adopted if they were to be saved from extermination, so when Thomas Douglas, Earl Selkirk, came forward with a suggestion it was eagerly accepted³. He had been to America and understood all the conditions existing there. He was a very large shareholder in the Company, really owning enough stock to control the policy. It was his proposition to found a colony in Rupert's Land, an undertaking entirely foreign to any in which the Company had yet engaged. He was allowed to purchase from the Company a large tract of land, of rather indefinite extent, bordering upon the Red River and Lake Winnipeg. We now look back upon it, as the beginning of the city of Winnipeg, and of the colonization of Manitoba. Lord Selkirk's motives for founding the colony have been variously explained⁴. Some have thought that he acted purely selfishly in the interests of the Company, with the intention of ruining the enemy, the North-west Company; that he anticipated the Red River Settlement would recruit the half-breed ranks in the Company's service, and, by providing a place of abode for retired servants, would keep the money which they had accumulated, in the control of the Company. Others stated that it was his desire to ameliorate the condition of some of his countrymen, and to divert emigration from the United States to British territory.

1--Accounts and Papers. Colonies. XXVII: 24. 2--Harper's Mag. LXXXIV: 384. 3--Ibid. 384-5. 4--Ross. 16-18. Harper's Mag. LXXXIV: 384. Living Age. XCIV: 325.

Alexander Ross¹, whose work on the "Red River Settlement" is a valuable authority, thinks the real motive to have been wholly philanthropic--the civilizing and evangelizing of the Indians. In view of Lord Selkirk's continuous interest in the colony and of his expenditures for it, amounting to £ 85,000 sterling, for which there was no return, it seems that he must have been actuated partly, if not entirely, by other than business motives.

The first delegation of Scotch settlers arrived at the Red River in 1812²; these few families were reenforced several times by delegations of new emigrants from Scotland. Though inured to hardship, they were destined to undergo sufferings far more acute and varied than any they had previously experienced. Soon after their arrival they were attacked by North-west men and were forced to spend the first winter in Pembina, fifty miles distant from the settlement. There they lived in camp with Indians and half-breeds, in tents and huts. Though they hunted with the Indians they suffered much from lack of food and from the cold. They returned in the spring to the colony, only to be again attacked by the North-west Company. This time the houses which they had just built were burned, a ~~member~~^{number} of the settlers were shot, and others were driven into exile. For the following eight years one trouble after another descended upon them. The North-west Company continued to annoy and injure them; their fiercest attack was the massacre of 1816³, when

1--Ross. 18. 2--Living Age. XCIV: 325. Ross. 20-42.

3--Harper's Mag. LXXXIV: 388-90. Accounts and Papers. XXVIII. 17.

twenty-eight Hudson's Bay men were led into an ambush and twenty-two, including Gov. Semple, Governor-in-Chief of the Hudson's Bay territories, were murdered. Nature, too, seemed arrayed against the colonists; one year their crops were spoiled by blackbirds and two other years vast swarms of locusts devoured everything¹. Not until 1821, when the rival companies were united, did the colony begin to be successful. For the first ten years of its existence it was under the management of Lord Selkirk, as lord paramount, and after that, his death occurring in 1821, it fell into the hands of his executors, who found it convenient to transfer the government of its affairs into the hands of the Company². In 1835 the settlement was repurchased from the executors by the Company. Its form of government and history will be noted later.

Both of the companies had suffered greatly because of the competition, their profits and trade had decreased enormously, their servants and the Indians had become wretchedly demoralized. It was these conditions which brought about a compromise in 1821, resulting in the amalgamation of the companies.

1--Living Age. XCIV. 325. Ross. 48. 2--Ross. 170-71.

Living Age. XCIV: 325. Harper's Mag. LXXXIV: 391.

CHAPTER VI.

Licenses of 1821 and 1838.

In 1821 the government granted¹ to the united companies an extension of the right of exclusive trade across the Rocky Mountains to the Pacific; this included the Indian territory west of the Rocky Mountains and north of the United States. It covered nearly 2,800,000 square miles², making the region over which the Company had sole rights of trade, larger than the entire continent of Europe. This grant, given under a license of George IV., was for a period of twenty-one years.

In 1837, fifteen years after the issue of the license, Sir Geo. Pelly, governor of the Company, on its behalf petitioned for a renewal of the grant³. His cause was won in the following year when Queen Victoria granted the same privileges for another period of twenty-one years⁴. The correspondence which was carried on at the time this matter was agitated was largely between the Colonial Office and Gov. Pelly, a letter from Sir Geo. Simpson, the governor in Canada, being also used by Gov. Pelly to enforce and complete his statements. The officers thought that the Company's faith-

1--License of Geo. IV., granted to Hudson's Bay Company, in Accounts and Papers. Colonies. XXVIII: 21-23. 2--Ellis, in Winsor, Narrative and Critical History. VIII: 44. 3--Hudson's Bay Company in Accounts and Papers. Colonies. XXVIII: 12. 4--Ibid. 9-11.

ful fighting with difficulties and the evident advantages of monopoly over competition in the fur trade, justified the Company in feeling that they merited the renewal of the grant¹. The sound, prosperous business condition of the Company was pointed out. After the union with the North-west Company the capital stock had been increased to £400,000; from 1821 till 1824, 4% dividends had been paid, from 1824 till 1838, half yearly dividends of 5%². In the four districts of their territory, the Northern, Southern, Columbia and Montreal Departments, there were 136 establishments; in the service there were employed 25 chief factors, 27 chief traders, 152 clerks, and 1200 regular servants, besides the occasional labor of a large number of natives³.

Explorations had been undertaken at great expense to the Company both in money and in exertion. At that time an expedition was being fitted out at the sole expense of the Company, to complete the survey of the Polar Sea coast⁴. The settlement at the Red River had prospered since the union of the Companies; in 1821 its population was less than 500, since that time it had increased to over 5000, about 2000 of whom were whites, 3000 Indians and half-breeds, the increase significant in favor of monopoly⁵. It was the object of this settlement to people it with emigrants from Great Britain, to civilize and christianize the natives, and to establish ultimately an export trade in wool, flax, tallow and other agricultural produce.

1--Accounts and Papers. Colonies. XXVIII: 12-13 2--Ibid.

25. 3--Ibid. 17. 4--Ibid. 14. 5--Ibid. 17.

It was hoped to establish similar trade from the newer Columbia River region¹; there were 22 permanent establishments in that territory, besides extensive pasture and grain farms. It was acknowledged that this region was unusually adapted by nature to agricultural pursuits². Sir George Simpson made a statement interesting in view of the Oregon controversy, then in its very infamy. "The possession of that country (between 46° 20' and 49° on the Pacific slope) to Great Britain may become an object of very great importance, and we are strengthening that claim to it (independent of the claims of prior discovery and occupation for the purpose of the Indian trade) by forming the nucleus of a colony through the establishment of farms and the settlement of some of our retiring officers and servants as agriculturalists"³. Notwithstanding these statements the consistent policy of the Company had been to maintain its game preserve and to discourage colonization. They had in various ways created the impression that their territories were totally unfit to support population of any size. But about this time there was a growing feeling in England that the contrary was true⁴; as a result of this opinion a proviso was placed in the new license, stating that nothing contained in it should be construed to prevent the establishment by the government within the Hudson's Bay territories, which were granted by this license, of colonies or provinces, or the annexation of any part of such territories to any existing colonies, or the constitution of any form of civil government, within such colonies, as seemed proper⁵.

1--Accounts and Papers. Colonies. XXVIII:13-14. 2--Ibid.

17. 3--Ibid. 17. 4--Ibid. 19. 5--Ibid. 11.

One of the requirements of the license of 1821, renewed in license of 1838, provided that the Company should submit to the government plans which would appear to the government as effectual for "diminishing or ultimately preventing the sale or distribution of spirituous liquors to the Indians, and for promoting their moral and religious improvement"¹. The letters sent to the Colonial Office indicated what improvement had been brought about in the condition of the Indians, an improvement confined to the years following 1821, as in the preceding period of competition it had been entirely impossible to accomplish anything toward the civilization of the native tribes². Since that year two Protestant churches, under the charge of the Company's chaplains, had been established at Red River, where there were also two Catholic missions and thirteen schools. The Indians and half-breeds at this settlement had greatly improved. Indian children belonging to distant tribes were also educated here³. Schools had been established at several of the posts on the Columbia River, and in all parts of the country where soil and climate permitted, efforts were being made "to collect the Indians into villages and direct their attention to agriculture, as the first step towards civilization"⁴. Their erratic habits and the scanty food supply afforded obstacles to the success of this policy. After competition ceased it became possible to protect the fur-bearing animals. Indians were prevented from hunting at certain seasons of the year,

1--Accounts and Papers. Colonies. XXVIII: 11. 2--Ibid. 13, 15-16. 3--Ibid. 16. 4--Ibid 16.

and at these times were furnished with employment which brought them into contact with the Company's officers and servants, a contact which tended towards enlightenment. Aged and sick Indians could find refuge at the trading establishments, and were furnished, free of cost, the medical services of the Company's physicians¹. The population of tribes sensibly diminishing during the competition, were then increasing². One of the most prominent features of the competition had been the unrestricted supply to the Indians of intoxicating liquors. It had resulted in crime and demoralization. After the consolidation it had been possible to restrain this evil; the attempts had been costly and dangerous, but as a result drunkenness was very rare in any part of the country, and was totally unknown in some portions. On the borders where it was necessary to compete with Americans and Russians it had not been possible to prohibit its use entirely. The exportation of liquors for the supply of the country east of the Rocky Mts. had averaged, after 1821, only 43 puncheons (3612 gallons) annually³. The new license made it possible for the Company to continue and to improve these civilizing measures.

1--Accounts and Papers. Colonies. XXVIII: 16. 2--Ibid. 17.

3--Ibid 15-16.

CHAPTER VII.

The Loss of Oregon.

Secure in the possession of its vast lands for twenty-one years longer, the Company continued to improve and advance their trade. But soon serious trouble menaced their interests in the west. It will be necessary to go back a little in the narrative to relate the Company's activities in the Oregon region.

The license of George IV., 1821, extending the jurisdiction of the Hudson's Bay Company west of the Rocky Mountains, gave them authority in the so called Oregon country. This region had been explored by traders and trappers of the Company and notably by two explorers sent out by them in the latter half of the 18th. century,--Samuel Hearne and Alexander Mackenzie¹. Through this new territory the Company silently extended their forces, sending more agents, employing more traders, building more factories, factories which were really fortifications, in fact might be called military out-posts, holding the region for Great Britain.

In the Treaty of Ghent (1814), the question² of the boundary between British and United States possessions west of the Lake of the Woods was unsettled. Four years later in London commissioners³ agreed to the compromise that for ten years joint occupation

1--Barrows. 29-35. 2--Ibid. 67. 3--Ibid. 68-9.

should be allowed to the two nations. This provision 'gave' to the Hudson's Bay Company extended power, ultimately fatal to British interests in Oregon. The policy of the Company was to cultivate wilderness, and not civilization, trading huts and not settlements, half-breeds and not English families¹.

Yet for a time the Hudson's Bay Company constituted the leading force² in opposition to possession by the United States. It was stated³ by English authorities about 1828 that in the interior the British subjects had many settlements and trading posts, several of the posts being situated on the Columbia, some north of that river and others south, while in the entire territory the citizens of the United States had not a single settlement or post. They did not use the river either for exporting or importing. The Americans who ventured to that region were entirely without legal protection, while British subjects were under the guardianship of Canadian law administered by the Company⁴. Americans were not allowed to trade within several hundred miles of a Hudson's Bay post. Governor Simpson said⁵ they were "resolved, even at the cost of £100,000 sterling, to expel the Americans from traffic on that coast".

By its charter the Company was given the right of exclusive trade, not even a prince having the privilege of frequenting and hunting in their territory without their consent. But it must be remembered that in this Oregon region they did not possess undisputed sway, nor did England, hence their attempts to drive out the

1--Barrows. 69. 2--Ibid. 36. 3--Ibid. 75. 4--Ibid. 84.

5--Ibid. 85.

Americans were entirely unjust. In 1838 Governor Pelley said¹, "We have compelled the American adventurers to withdraw from the contest." Not only did the Company show hostility to American settlers, it prevented even its own employes from acquiring property², for it was determined to keep the country a game preserve.

In 1834 seven emigrant trains from the United States had reached Oregon and had been forced by the Company to leave³; eleven fur companies had attempted to trade there, but only the Hudson's Bay Company survived. In the year 1836, however, a new element, we might almost say rather a new man, was introduced, who ultimately altered the tactics of the Company⁴. The American Board of Missions sent Dr. Whitman and Mr. Spalding to Oregon. Under the convoy of traders of the American Fur Company, these men with their wives set out in a wagon for Oregon. The Hudson's Bay Company had the country far beyond Oregon virtually picketed; an escort of Hudson's Bay Company men was engaged for the latter part of the journey. When they reached Fort Hall, about 100 miles north of Salt Lake⁵, every effort of these men was exerted to prevent the wagon's being taken farther, but Doctor Whitman's determination won the day and he went forward with it. After they had crossed the Snake River they were stopped again at Fort Boise⁶, and were here compelled to leave the wagon, but were permitted to send back for it and take it through to Oregon --the first wagon to pass through so far; and a ride which was probably a turning point in the history of Oregon was completed.

More emigrants followed, these however being compelled to

1--Barrows. 198. 2--Ibid. 89. 3--Ibid. 120. 4--Ibid. 112

5--Ibid. 142. 6--Ibid. 143.

abandon their wagons at Fort Hall¹. By the close of 1841, 137 were in Oregon. The Hudson's Bay Company now became alarmed and realized for the first time that the ownership of Oregon was to be determined by settlements of civilization; better in their estimation agricultural settlements with some rights left to them, though the fur-trade were injured, than no trade at all, hence their change in policy. They now began to favor colonization and made the Red River Settlement their recruiting station². In December, 1840, they organized the Puget Sound Agricultural Company, to take charge of this new enterprise. The first delegation from the Red River consisted of about forty families, English, Scotch, French, and half-breeds.

When the second band of 140 arrived in the fall of 1842, Dr. Whitman, who realized better than any one else the full bearing of this immigration, immediately set out for Washington, in spite of the enormous danger of travelling in the winter. The story of his journey belongs to American history rather than to our subject but of its results we can properly treat. In the Webster-Ashburton Treaty³, 1842, no mention was made of Oregon, as it had been wisely judged that with the other great issues at stake more would be lost than gained by an attempt to settle the western boundary question at that time.

The people of the United States were almost entirely ignorant of the real conditions in the far west and what information they had was erroneous. The Hudson's Bay Company had taken pains to disseminate rumors and misrepresentations concerning the western

1--Barrows. 147. 2--Ibid. 161-2. 3--Ibid. 182.

lands¹ and their unfitness for colonization, so that, when Whitman reached Washington, the current question was, "Is Oregon worth saving?"²

Dr. Whitman had an interview with Webster and the tribute Mr. Webster afterwards paid him indicates how important was the service he rendered the United States, and indirectly how his visit to Washington helped to answer the question, "Is Oregon worth saving?" Mr. Webster said³, "It is safe to assert that our country owes it to Dr. Whitman and his associate missionaries that all the territory west of the Rocky Mountains and south as far as the Columbia River, is not now owned by England and held by the Hudson's Bay Company."

Dr. Whitman submitted⁴ in Washington his plan to save Oregon, and he left there with the assurance that the government would not commit itself on the question till he had had an opportunity to put it into execution⁵. He went west again⁶, met a company of 200 immigrants at Westport, Mo., June 1843, and guided them through successfully to Oregon. He was stopped at Fort Hall, as on his first journey, and the agents of the Hudson's Bay Company placed every possible obstacle in the way of the advancing train, but the fatal mistake they had made six years before when they allowed Dr. Whitman's wagon to go through, was now evident, and they were forced to permit the settlers with their wagons to advance. When the news of the successful issue of this journey reached the states, hundreds of

1--Barrows. 150-9 & 192. 2--Ibid. 188. 3--Ibid. 225.

4--Ibid. 225. 5--Ibid. 237. 6--Ibid. 243-9.

others set out for Oregon¹, and by 1846 the white population was about 12,000, "probably all of these except 1,000, were American immigrants.-- The army of occupation had moved into Oregon, and it remained only to talk over the conclusion, to draw up and sign the papers." This was done in 1846, and on August 5th. the Oregon Treaty extending the 49th. parallel to the Pacific Ocean was declared law.

Two articles of that treaty bear directly upon the interests of the Hudson's Bay Company, Articles III and IV. They state², "In the future appropriation of the territory south of the 49th. parallel of north latitude-----the possessory rights of the Hudson's Bay Company, and of all British subjects who may be already in the occupation of land or other property lawfully acquired within the said territory, shall be respected. The farms, and other property of every description belonging to the Puget's Sound Agricultural Company, on the north side of the Columbia River, shall be confirmed to the said company. In case, however, the situation of those farms and lands should be considered by the United States to be of public and political importance, and the United States government should signify a desire to obtain possession of the whole, or any part thereof, the property so required shall be transferred to the said Government, at a proper valuation, to be agreed upon between the parties."

1--Barrows. 264. 2--Treaties and Conventions between the United States and other powers. 1773-1887. 439.

The United States did signify such a desire in 1833, and, according to the terms of a treaty concluded that year, a commission was appointed to examine and decide the claims of the two companies¹. After due consideration of these claims, it awarded to the Hudson's Bay Company \$150,000, and to the Puget Sound Agricultural Company \$200,000.

Thus were the interests of the Hudson's Bay Company in the United States at an end. Though it cannot be accused of violating the terms of its charter or its licenses in the course of this Oregon controversy, it must be plainly evident that the business interests of the Hudson's Bay Company faithfully pursued by it, were diametrically opposed to the interests of the government which chartered it. Barrows thus characterizes what he calls the great English mistake². "It was a mistake in attempting to take and hold Oregon by trapping, as against colonization; and it was a mistake to sacrifice so largely the English interests in America to a corporate monopoly." It is instructive "to see how wanting in honor and philanthropy and patriotism a huge chartered monopoly may become. It would require statesmen of the Bismarck and Webster and Gladstone type to show how much the British Empire was damaged when the Hudson's Bay Company voted the northern half of our continent to be wilderness in perpetuity."

1--Treaties and Conventions between the United States and other powers. 1776-1887. 467-70. 2--Barrows. 102.

CHAPTER VIII.

The Red River Settlement.

Following closely upon the loss of Oregon new danger threatened the Company. This time the seat was the settlement at Red River. Before the discussion of this new trouble it will be in order to study somewhat more in detail, the government of this settlement¹. From the founding of the colony in 1812 till its purchase by the Hudson's Bay Company in 1835 but little real government existed. There was a Governor who was appointed. Towards the close of the period there were appointed a few councillors and a few constables to assist the Governor in settling some of the disputes². There were practically no laws and no municipal organization, order being preserved simply by the good faith of the people. But the population was growing and such a system, or rather lack of system, hazardous enough among few, would soon be suicidal³; with the purchase by the Company, when the population was 5000, more definite government was provided⁴. The Governor-in-Chief in America was to be the head or President of a Council, whose members were selected out of the more influential inhabitants in the colony, and were nom-

1--Ross: Alex. The Red River Settlement. 172-80. 2--Ibid.

173. 3--Ibid. 172-3. 4--Ross. 175.

inated and commissioned by the committee in London. The council had power to legislate in criminal as well as civil matters¹. There were fifteen members of the original council, most of them sinecurists or paid servants of the Company, men naturally prejudiced in favor of the Company, and also unskilled in colonial affairs². At their first meeting they passed laws³ establishing volunteer troops, dividing the settlement into four districts for judicial purposes, a magistrate to preside over each, regulating what cases should come under the jurisdiction of each, providing for the meeting and jurisdiction of the Supreme Court,--the Court of Governor and Council of Assiniboine--determining when there should be jury trial, and providing for the erection of a public court-house and jail, to be paid for by import and export duties. In 1839 the Company made Mr. Thom "Recorder of Rupert's Land" and senior member of the Governor's Council, in which capacity he was to preside in the general court⁴. At the same time a regulation was passed to the effect that every criminal issue, and every such civil issue as could come before the general court, should be tried by jury⁵.

In September of 1846 several companies, about 500 men, of the sixth Regiment of Foot, under the command of Lieut.-Col. Crofton, who was appointed governor of the colony, arrived at Red River⁶. They were sent for the protection and defence of the colony, the agitation concerning the Oregon question being the probable occasion for this unusual defence of the frontier. They brought a grateful

1--Ross. 174. 2--Ibid. 176. 3--Ibid. 178-9. 4--Ibid. 223

5--Ibid. 380. 6--Ibid. 364.

peace and tranquility to the colony. Though the opinion prevailed that if the people had confidence in the authorities no military would be needed, the biased, unrepresentative character of the council made a protective force, or else a change in the administration of justice imperative¹. These troops were recalled in 1848, and in their place about seventy pensioners under Major Caldwell were sent out². Major Caldwell was especially instructed to observe and report concerning charges which had been brought concerning the maladministration and harsh conduct of the Hudson's Bay Company, charges which were then being investigated in England³. The occasion of this government investigation was the complaints and agitations of the half-breeds, who had as their chief ground of complaint the Company's prohibition against bartering, buying or trafficking in furs with the pure Indians. Yet notwithstanding their agitation no half-breed, or other, had been deprived of his liberty or molested for meddling in the fur trade, with the exception of one instance, during the twenty-five years in which the Company's officer presided over the affairs of the colony⁴. The half-breeds, with their excitable, lawless dispositions, succeeded in arousing so much feeling, that it finally took definite shape.

A memorial, signed by A. K. Isbister and five other deputies on behalf of the natives of Rupert's Land, N. A., was presented to the Colonial Secretary⁵. This was accompanied by a Peti-

1--Ross. 365. 2--Ibid. 364-7. 3--Ibid. 366-7. 4--Ibid. 372. 5--Hudson's Bay Company. Red River Settlement, in Accounts and Papers. Colonies. XXXV. 1849. 1-4.

tion in French with the names of 997 settlers at Red River, together with the names of the Indians and half-breeds residing in and near the colony, attached¹. The memorial prayed for the redress of certain grievances arising, as they alleged, from the harsh administration of the Hudson's Bay Company. They complained that by the practice of exclusive trade with the natives, which the Company asserted was secured them by Royal Charter, it had amassed, to the impoverishment, if not the utter ruin of the natives, a revenue which amounted to nearly a quarter of a million sterling per annum; that little or none of these vast sums had been applied to the religious or moral improvement of the Indians, though this was one of the objects for which the Company was incorporated². The Indians were in a condition of darkest heathenism; there was not "a single Indian school, church, or other establishment for religious and general instruction established by the Company, throughout the whole of their extensive territories"³. The Company had not even given aid to the missionary societies which were laboring in that region. That the Company, in spite of a solemn obligation to the government to discontinue the supply of spirituous liquors to the Indians, were continuing the trade in ardent spirits. That the fur trade was being conducted in such a manner that the resources of the country were becoming exhausted, and as a result the Indians were reduced to a most pitiable condition; starvation, with its attendant crimes of murder and cannibalism, was prevalent among them. That the conduct of the Company was such that these conditions would not be bettered, "their deity is

1--Accounts and Papers. Colonies. XXXV: 4-5. 2--Ibid. 1.

3--Ibid. 1.

gold, to obtain which they trample down Christianity and benevolence¹." That, granting the Company a monopoly of trade, such monopoly was in no way binding on the Indians to trade with the Company exclusively; yet when they attempted to carry on a more profitable trade in other markets, the Company siezed their furs and mistreated them personally².

The matters thus brought to the attention of the Colonial Office were investigated, and a voluminous and lengthy correspondence was carried on by Earl Grey, on the part of the Colonial Office, Lord Elgin, Governor General of Canada, Mr. Isbister on behalf of the petitioners, and J. H. Pelly, Governor of the Company. The Memorialists made extensive use of the testimony of Rev. Henry Beaver³, who, as chaplain in the employ of the Company was stationed for two years at Fort Vancouver on the Columbia River. A letter⁴ from him, relating to the Indians on the north-west coast of America, to the committee of the Aborigines' Protection Society, played a large part in the accusations brought against the Company. According to Sir John Pelly's statements⁵, Mr. Beaver undertook the work of a frontier missionary without the fortitude and readiness for self-denial necessary for the success of such an enterprise; he did not even attempt to learn an Indian tongue. As a result, after two years of complaint and quarelling, he returned to England, and was consequently a dissatisfied, discontented man. To be sure this is the statement of the defence and therefore must be accepted cautious-

1--Accounts and Papers. Colonies. XXXV: 2. 2--Ibid. 2-3.

3--Ibid. 11, 12, 17. 4--Ibid. 12-15. 5--Ibid. 28-9.

ly. However, it seems that Mr. Beaver's own letter testifies against him, for it reads like the report of a man inclined to extravagance and exaggeration, possibly to fanaticism. One extract from his letter will suffice to illustrate this¹. "God knows---that I speak the conviction of my mind, and may He forgive me if I speak inadvisedly when I state my firm belief that the life of an Indian was never yet by a trapper put in competition with a beaver's skin." It may also be instructive to contrast a statement Mr. Beaver made in the tract mentioned, with one of his letters to the Company while in its service. In the tract he said, "From time to time I reported to the Governor and Committee of the Company in England, and to the Governor and Council of the Company abroad, the result of my observations, with a view to the gradual amelioration of the wretched degradation with which I was surrounded, by an immediate attempt at the introduction of civilization and Christianity among one or more of the aboriginal tribes; but my earnest representations were neither attended to nor acted upon; no means were placed at my disposal for carrying out the plans which I suggested."²

In a letter to the Governor and Committee of the Company in England he wrote, "Through your liberality, I have been enabled to supply all persons who want them with Bibles, prayer books and testaments, including the hospital, which I visit several times in the week, and the school with spelling cards and other elementary books."³ So too much weight should not be allowed to Mr. Beaver's testimony.

1--Accounts and Papers. Colonies. XXXV: 14. 2--Ibid. 12.

3--Ibid. 31.

A number of authorities are quoted for statements made by both parties, and each tried to invalidate the testimonies presented by the other. Sir George Simpson and Mr. Thomas Simpson are two of the principal authorities quoted by the Company; and Mr. Beaver and Mr. Thomas Simpson, by the memorialists. The Company stated that parts of the latter's work were suppressed¹, while the memorialists claimed that private letters written by Mr. Thomas Simpson to his brother Alexander, at the same time that his Narrative was being prepared for the press, contain opinions and statements exactly contrary to those expressed in the Narrative; and they claimed that the private letters held his true views². The pages of the correspondence are filled with just such opposite statements as these, therefore a judgment as to where the right rested is difficult to form.

In reply to the memorial Gov. Pelly stated that the assertion that discontent and misery existed among the natives was wholly destitute of truth. Discontent had existed among the half-breeds; but the true natives, in no part of that extensive territory, had ever manifested symptoms of discontent³; that the statement of the Company's revenue was erroneous; as to the objects of the Company, that no allusion was made in their charter to the introduction of Christianity among the Indians, or to their moral and religious improvement, its sole objects being trade and the discovery of a north-west passage; and he adds---"But though the Company's charter does not oblige them to provide for those objects, they have not neglected them, and the provision so made occasions them a very

1--Accounts and Papers. Colonies. XXXV: 27. 2--Ibid. 52.

3--Ibid. 21-22.

considerable annual expense"¹. As to the charge that the Indians were not being educated, civilized and Christianized, Gov. Pelly showed that many such efforts were being made, and where they were failing or not in existence, the inherent character of the Indians, and their method of living, a few families scattered over immense tracts of land, were accountable. He concludes this argument by stating that the Indians had not been consigned to the care of the Company². To the charge that the Company had neglected to improve the country by opening up its mineral and agricultural resources, and facilitating the means of internal navigation and transport, the reply was made that the charter had imposed no such obligation, and that had it, Nature had opposed great obstacles to its fulfillment³. Gov. Pelly's sight into the future was indeed short when he said, "The only medium of transport that the country ever can afford is that which is now in use, namely, the lakes and rivers with which it abounds." He also added, "How the neglect of such improvements should add to the aggrandizement of the Company does not readily appear. The Company are of opinion that if they were practicable they would tend greatly to their advantage⁴".

Gov. Pelly denied with indignation the charge concerning the trade in spirituous liquors, saying that the trade had been abolished and that, by the influence of the Company's action, the settlers at the Wallamet, and the Russians at Sitka had been prevailed upon to adopt the same course⁵. As to the pitiable and destitute condition of the Indians, it was replied that some of the

1--Accounts and Papers. Colonies. XXXV: 22. 2--Ibid. 22-3.

3--Ibid. 23. 4--Ibid. 23. 5--Ibid. 24.

natives were occasionally reduced to great distress, but not so much owing to the scarcity of the means of subsistence as to the want of foresight and to habits of indolence, the active hunter being always able to maintain himself; and were it not for the relief afforded by the Company's servants, this distress would be greatly aggravated¹. The charge was brought frequently against the Company that, by its system of keeping the Indians continually in debt to it, it practically enslaved them. In answer to this the Governor said, "It is very disadvantageous to the Company to supply them with goods on credit, but it is the inavoidable consequence of an improvidence inherent in the Indian nature. It has been found impossible to alter the system without subjecting the natives to great suffering, indeed in many cases to almost certain death. The attempt has been repeatedly made by cancelling their debts and paying them in the spring for the produce of their winter hunts; but it has always been found that, in the fall of the year, they must either be supplied with a fresh outfit, or be left without the means either of protecting themselves from the inclemency of the climate, or providing food during the winter²". When the memorialists complained of the restrictions preventing the Indians from trading, they were misrepresenting, as it was the half-breeds, who were, under the terms of the charter debarred from such trade, who had been causing trouble³.

In a pamphlet⁴, entitled "A Few Words on the Hudson's Bay Company", prepared by the memorialists, a statement is given of the

1--Accounts and Papers. Colonies. XXXV: 24. 2--Ibid. 25.

3--Ibid. 25-6. 4--Ibid. 85-6.

property and financial condition of the Company. It stated that their territory was a little less than 5,000,000 square miles, comprising the whole of British America with the exception of the Canadas. The entire stock in trade of the Company was about 400,000£; the annual profits, 110,000£; the yearly rental paid to England, 5s; the exports of trifling importance, about 25,000£. From these statements it was concluded that the Hudson's Bay Company's monopoly was not productive of any advantage to England's budget¹. Sir John Pelly's statement of the condition was that the Company's revenue from the trade enabled "them to divide 40,000£ per annum on a capital of 400,000£, with an occasional bonus, which together do not exceed the ordinary rate of mercantile profit"².

For information concerning the Company, the Colonial Office applied to Lieut.-Col. Crofton, who, as was before stated, was in charge, for a time, of the troops stationed at Red River. His testimony was most favorable to the Company³. He said that he had had excellent opportunities for learning the opinions of all classes and he had never heard the charges brought against the Company considered otherwise than false. He asserted that the government was mild and protective and well adapted to the existing society. He knew personally of numerous acts of benevolence, but not one of severity, on the part of the government or its officers towards the Indians or residents in the territory. He thought the sole hope of Indian improvement lay in the relations of the Indians

1--Accounts and Papers. Colonies. XXXV: 86. 2--Ibid. 22.

3--Ibid. 101-2.

to the Hudson's Bay Company¹. Spirits had not, for some years, been furnished to the Indians, and heavy fines were imposed upon the violation of the Company's rules forbidding this supply. The Indians were not being exterminated, on the contrary their number had gradually increased after the union with the North-west Company and the prohibition placed upon spirits².

The Bishop of Montreal's Journal was used in the testimony. He spoke in glowing terms of the rich and productive soil at Red River. Fertilization was unnecessary, even after land had been used two decades; crops were abundant and pastures and hay to be had " 'ad libitum', as nature gives them in the open plains."³ He said that the total number of persons attending the four churches at Red River were 1723; the number of communicants, 454. There were nine schools, containing 485 scholars.⁴

The Company stated that there were, at the Red River Settlement, four Roman Catholic schools, a number of Roman Catholics in charge of a Bishop and several priests; there were four Protestant churches, and nine Protestant schools, attended by nearly 500 scholars. At one of these three of the memorialists were educated⁵.

Mr. Isbister replied to this statement: "The list of the churches and schools at Red River is perfectly correct, as also the statement that at one of those schools three of the memorialists were educated. It is forgotten, however, to state, that these churches and schools are in no way connected with the Hudson's Bay

1--Accounts and Papers. Colonies. XXXV: 101. 2--Ibid. 102.
3--Ibid. 43-4. 4--Ibid. 44. 5--Ibid. 23.

Company, and that the memorialists paid for what education they received at the rate of 30£ per annum." The respective missionary societies support these institutions, not the Company¹.

After carefully examining all the evidence submitted to the Colonial Office, Lord Grey reached the following conclusion, stated in a letter to Mr. Isbister². He was of the opinion that, as far as he could form any judgment upon statements resting on both sides to a large extent on mere assertions, that the charges against the Hudson's Bay Company were groundless.

An address from the House of Commons, 1849, requested a Crown investigation³ to be made to ascertain the legality of the powers in respect to territory, trade, taxation and government which were at that time claimed or exercised by the Hudson's Bay Company. Gov. Pelly based his legal claim on the grounds that⁴, though the original title to the territory and trade was derived under the charter of Charles II., the rights of the Company had received legislative recognition in two Acts passed in the reign of George III. (14 Geo. 3, c 83 and 43 Geo. 3, c 138), two in the reign of George IV. (1 and 2 Geo. 4, c 66), and one each in Queen Anne's and George II. (6 Queen Anne, c 37 and 18 Geo. 2, c 17). The pamphlet, "A Few Words on the Hudson's Bay Company", contained a reference to the Parliamentary Confirmation of the charter in 1690⁵. It stated that the Company, feeling the charter to be defective because

1--Accounts and Papers. Colonies. XXXV: 60-1. 2--Ibid. 50.

3--Hudson's Bay Company, Accounts and Papers. Colonies. XXXVIII. - 1850. 3. 4--Ibid. 4-6. 5--Red River Settlement, in Accounts and Papers. Colonies. XXXV: 85.

unconfirmed, petitioned Parliament for its sanction. After considerable opposition, a confirmation for seven years was obtained.

"Whether the Company, after the expiration of the Act, were apprehensive that Parliament would not renew it, or whether they deemed it impolitic to awaken public attention to the subject of their monopoly, the fact is no less certain than extraordinary, that they have never, from that time to the present, applied for a second confirmation of their charter."

Sir John Jervis, and the Solicitor-General

Earl Grey requested¹ the opinions of the Attorney-General, Sir John Romilly, and they replied, in a letter of Jan. 1850, "We are of the opinion that the rights so claimed by the Company do properly belong to them."² Earl Grey gave the parties at the Red River Settlement who were interested in the inquiry, opportunity to prosecute it further, but they failed to do so³. Lord Grey, therefore, concluded⁴ that "having adopted the most effectual means open to him for answering the requirements of the Address", he was obliged, "in the absence of any parties prepared to contest the rights claimed by the Company, to assume the opinion of the Law Officers of the Crown in their favour to be well founded."

1--Accounts and Papers. Colonies. XXXVIII: 6-7. 2--Ibid. 7

3--Ibid. 9. 4--Ibid. 10.

CHAPTER IX.

The Dissolution of the Monopoly.

The agitation thus set aside was not destined to be quieted long. The Company's license, granted in 1838, was to expire in 1859, and as that time approached the subject was again revived, this time in a more formidable way. In Feb. 1857, Parliament appointed a Select Committee of nineteen to consider the state of those British possessions in North America which were under the administration of the Hudson's Bay Company, or over which they possessed a license to trade, and empowered them to report their observations, together with the minutes of the evidence taken before them, to the House¹. The Committee in its report stated the circumstances which rendered such a course the duty of Parliament and the Government,--the desire of the Canadian subjects that means of extension and regular settlement should be afforded them over a portion of the territory held by the Company; the necessity of providing suitable administration of the affairs of Vancouver's Island; the condition of the Red River Settlement².

The Committee thus empowered to take evidence, examined a large number of witnesses and collected information on a variety of subjects. Such a mass of evidence was gathered that it will be im-

1--Reports from Committees. Hudson's Bay Company. XV: 1857. p. iii. 2--Reports from Committees. XV: p.iii.

possible to give in this paper even a synopsis of it, attention being called but to the most important of the subjects investigated. These were, questions concerning colonization and settlement, the fur trade, Indians, Red River Settlement, Canada and Vancouver's Island.

On the subject of colonization one of the principal witnesses examined was Sir George Simpson, previously mentioned in these pages. He had been at the time of the investigation, for thirty-seven years, the Company's Governor in Canada.¹ It will be recalled that in the letter written by Sir Geo. Simpson to Gov. Pelly in 1837², he spoke then in favorable terms of the possibilities for future colonization of portions of the Hudson's Bay Company's territory, and moreover cited with some degree of satisfaction the Company's previous efforts in that direction. However, his testimony found in the pages of this investigation is quite the reverse. He describes the entire region as most unfavorable to settlement, ascribing to only a few regions about a few rivers, any degree of fertility at all³. His statement, iterated and reiterated, is, "I think there is no portion of that country (British territory) north of 49° adapted for settlement."⁴

The witnesses testifying to the general unfitness of the country for settlement or cultivation were about equal in number and weight to those asserting the contrary. However, conditions of the present time give us means of judging which were correct. Many of

1--Reports from Committees. XV: 44. 2--~~Ibid.~~ 49-50. 32.

3--Ibid. 45. 4--Ibid. 105.

the regions then unsettled are now occupied by prosperous farms, the soil proving productive, and the climate not too unfavorable. Sir Geo. Simpson stated that he did not think the country about the Red River favorable for settlement. That region is now a part of Manitoba, a province rich in agricultural resources, a great wheat growing region, over twenty-seven million bushels of wheat being produced in 1899, the area of the province, 73,956 square miles, the soil so rich that fertilization is unthought of¹.

In view of this evidence, and with the additional knowledge that the great Hudson's Bay Fur-trading Company has added to its sphere the business of a land and shop-keeping company², hearty approbation is accorded to the remarks of a witness (Mr. W. M. Dawson) examined by the Select Committee in Canada, when he said---"According to Sir Geo. Simpson, immediately to the south of the 49th. parallel on the Pacific coast, there is a beautiful country (that being the United States' territory), and immediately to the north of that parallel the country is all rock and mountains, quite unfit for colonization, (that being British territory); indeed, according to him, the 49th. parallel forms a sort of natural wall across the continent."³ If the witnesses testifying unfavorably to colonization were quite honest, their judgment at least was defective.

Many points with regard to the fur trade were considered; it was shown that the competition prevailing during the existence of the North-west Company had been productive of the most evil results,

1--International Year Book.-1900. 566. 2--Ralph, in Harper's Mag. LXXXIV: 492. 3--Reports from Committees. XV: 401.

causing not only disaster to business interests, but demoralizing the traders and Indians and even occasioning the loss of a number of lives¹. With the union of the companies peace and order were restored, and beyond a doubt, the condition of the Indians greatly improved.

² It was the opinion of Judge Draper that the question of the legality of the monopoly should be referred to the Judicial Committee of the Privy Council³.

A great variety of statements were made concerning the system of traffic with the Indians, some witnesses asserting that its operations were fair and just to the Indians, others stating the contrary with equal assurance. Dr. Rae explained that higher payment was given to the Indians for inferior furs to prevent their killing off the more valuable animals, and to balance this, lower prices were paid for the valuable furs⁴. Uniform tariff did not prevail throughout the country⁵. It was thought the Indians paid, in skins, more than 200% above the original value of the goods they secured⁶. Evidence was introduced to show that the American traders paid far higher prices than the Company, resulting in dissatisfaction among the Indians and half-breeds and causing them to engage in the illicit trade of which the Company complained⁷. One witness thought the whites and half-breeds caused greater destruction among the fur-bearing animals than the Indians;⁸ and another witness stated that in the more remote regions, where the Indians were under the control

1--Reports from Committees. XV: 323. 2--Ibid. 326.

3--Ibid. 220. 4--Ibid. 27,34-6. 5--Ibid. 85-6. 6--Ibid. 34.

7--Ibid. 282-4. 8--Ibid. 229.

of the Company, fur-bearing animals were on the increase rather than decrease¹. When questioned as to the advantages or disadvantages of competition in the trade, the witnesses could speak from their knowledge of the effects of such competition, instead of theorizing upon the subject, and though the feeling in Canada was in favor of opening the trade, the preponderance of evidence was opposed to it. Judge Draper has already been referred to. He had been for thirty-seven years a resident of Canada, for ten years had been upon the Bench of Upper Canada, and for a little over a year, Chief Justice. He had been sent by the Government of Canada to England to watch the present investigation and to present the Canadian interests². His testimony on this subject must have carried much weight. To the question whether, leaving in abeyance the question of the legal right in the Hudson's Bay Company, he would object to confining them within a territory considerably north of the line they then had, he replied that his own opinion was not shared by a great number of people in Canada; individually he thought that in order to preserve peace among the Indians, and to prevent difficulties from arising, it was of great importance that for some length of time, possibly limited, the Hudson's Bay Company should maintain the stations and trade which they had previously carried on, which had kept the Indians at peace. He had come to this conclusion as a result of his observations and investigations, which had shown that where there had been rival traders, two evil effects had followed: first, the indiscriminate and unlimited use of spirituous liquors to draw the trader, a most prejudicial thing to the Indians; second, the promoting of quarrels between rival traders, producing sometimes

1--Reports from Committees. XV: 327. 2--Ibid. 210.

the promoting of quarrels between rival traders, producing sometimes bloodshed, finally a combination of interests in a trade with the Indians in which the parties could only repay themselves upon terms disadvantageous to the Indians.¹

It will be seen later in the Report of the Committee that it was such testimony as this which induced them to recommend that exclusive trade in Rupert's Land and adjacent territory remain the privilege of the Hudson's Bay Company.

A general agreement in statements is found in the testimonies concerning the Company's practice with regard to spirituous liquors. The Company had made numerous regulations prohibiting its use and importation². Nearly all the witnesses agree in stating that there is almost no traffic in spirits, only occasionally grams being given gratuitously³. This policy had resulted very beneficially to the Indians⁴, and had been made possible only since competition in trade had ceased; indeed the essential requisite of such a policy was that there should be no competition--one of the strongest arguments against the opening up of the trade⁵.

Sir George Simpson stated that, due to wars and small-pox, the Indians of the plains were decreasing in numbers; over these the Company had no control. Among the Indians of the thickly wooded country, over whom the Company had control, there were no wars and there had been no small-pox, and these Indians were increasing in numbers⁶. Dr. Rae expressed the opinion that the Indians, owing to

1--Reports from Committees. XV: 216. 2--Ibid. 61, 65, 79, 80, 368. 3--Ibid. 37, 60. 4--Ibid. 41. 5--Ibid. 122-3. 6--Ibid.

their natures, were disappearing with the advance of civilization¹. However, the general testimony was that the Company's influence over them was beneficial, and the opinion was practically unanimous that they were kindly and considerately treated by the Company and their servants². Dr. Rae, who was for a number of years in the medical service of the Company, stated³ that relief was frequently given gratuitously to the Indians, in clothes, medicine and food; and he said that the duty of the medical men appointed by the Company was as much care of the Indians as of the Company's people. Sir Geo. Simpson said that the Company did not consider themselves charged with the education or civilization of the Indians, but, nevertheless, had contributed toward those objects⁴, though the evasive answers which he gave do not lead one to suppose that the support was very great⁵. Some attempts had been made to induce the Indians to make settlements and take up agriculture, but the Indian nature was greatly opposed to such employment⁶. Statements such as those found in the Memorial of 1849 concerning destitution and crime among the Indians are almost wanting, though it was frequently stated that the barrenness of the country and European diseases had caused great suffering.⁷

The investigation showed that the Company had done practically nothing toward educating the Indians, the only regular amount contributed by them for that purpose being 100£ per year to a school at Red River, occasional gifts to individual missionaries being made.

1--Reports from Committees. XV: 42. 2--Ibid. 25-3, 37, 186-187, 189, 236-7, 316, 368. 3--Ibid. 42. 4--Ibid. 105. 5--Ibid. 91, 102-3. 6--Ibid. 30, 58, 63, 102. 7--Ibid. 58, 158-9, 160, 188.

Chaplains were kept in the employ of the Company, but these were paid by the religious societies as well, and it was according to the instructions of the latter that they kept school¹.

The examination of the investigation of 1849 concerning the Red River Settlement was so extended that but few new facts, brought out by the investigation of 1857, need be mentioned here. Answers to inquiries as to the progress of the settlement showed that it had been slow². It was repeatedly stated that the main obstacle to the colonization of the district was the want of means of communication³. The remoteness and difficulty of access made it repellant to would be settlers, and of necessity greatly checked cultivation, as trade was rendered so nearly impossible. Means of communication were considered and the obstacles shown to be very great, but by no means unsurmountable. It was stated that the natural outlet for the settlement was through the United States, and Judge Draper made this assertion the ground for a very strong plea for opening up communication by Lakes Superior, Huron, Erie, and through Welland Canal into Lake Ontario⁴. He thought that unless such communication were opened, the natural outlet by the Mississippi River would be used, the interests of the inhabitants would become American, and the whole tendency would be to make the people look more to the country with which they were continually dealing than to one with which they had nothing at all to do⁵. When asked whether he considered the opening of the outlet he proposed possible, Judge Draper replied:--"All I can say is, that unless you can do that,

1--Reports from Committees. DV: 64,72,89-91,126-7,242.

2--Ibid. 113,363. 3--Ibid. 135,141-2,161-3,173-7,299. 4--Ibid. 214-215,225. 5--Ibid. 213, 230.

farewell to its being maintained long as a British territory."¹ Mr. McLaughlin stated that the Company had done nothing to improve the route to Red River Settlement, adding that it was not their object². The annexation of the Red River Settlement to Canada, or the formation of it into a separate colony was considered by the Committee. Such annexation would affect an extended amount of territory³.

Much time was spent in considering Canadian opinions. Mr. Ross, a member of the Canadian Parliament, expressed the general sentiment of the country, that the control of the Hudson's Bay Company prevented the extension of settlement and civilization. However, he felt that it had succeeded admirably in maintaining a condition of peace in its territories, in marked contrast to the troublous condition of Indian warfare prevailing in northern United States. He suggested that the territory be only gradually surrendered to Canada, in amounts sufficiently small to admit of immediate occupancy⁴.

A feeling prevailed in Canada that the territory legally belonged to that country and a careful study had been made of the boundaries of Canada and of those of the Hudson's Bay Company's lands, with the result that many considered those claimed by the Company misplaced⁵. Chief Justice Draper, who had carefully considered the subject, proposed to submit this boundary question to the Judicial Committee of the Privy Council, and the Attorney-General and Solicitor-General concurred in thinking this step a wise one⁶.

1--Reports from Committees. XV: 225. 2--Ibid. 276.

3--Ibid. 130-1, 215, 226, 330-1, 350-1. 4--Ibid. 2. 5--Ibid. 249-251.

6--Ibid. 220-21, 404.

Judge Draper believed the Hudson's Bay Company's territorial claims to be unsound. He expressed the deep interest of the people of Canada that that territory should be maintained as a British possession, and also said that they regarded it as a country into which they ought to be permitted to extend their territories¹. He suggested a gradual opening of the country, proposing that Canada should have a freeright to explore and survey the Company's territories, in order to ascertain the capabilities of the country; also that it should have the right to open communication roads, by putting settlers on each side of them with free grants; and to lay out townships and to incorporate them with the province as soon as they were settled.².

At the same time that this parliamentary investigation was being conducted in England, an official inquiry concerning related subjects was proceeding in Canada and valuable testimony was being given before a Select Committee of the Canadian Legislature³. The evidence gathered by this committee was laid before the Parliamentary Committee, which attached considerable weight to it⁴. The conclusions at which the committee finally arrived with regard to the position of Canada relative to the Hudson's Bay Company's territories will be given in the Report.

The committee's attention was also turned to the conditions on Vancouver's Island. The first settlement on the island was made by the Hudson's Bay Company in 1843. Later they applied

1--Reports from Committees. XV: 211-2. 2--Ibid. 212.

3--Ibid. 229-30. 4--Ibid. p.iii.

to Earl Grey for protection in the island for fear that their possessions there would be disturbed by American marauders. As a result of negotiations arising from this application, Lord Grey granted the island to the Company in 1849¹. With the grant the Colonial Office imposed the restriction that the Company should not sell land for less than 1£ an acre, ensuring thus, Mr. Ellice said, from the beginning, an absolute failure of the whole scheme². The testimony of all the witnesses examined concerning the suitability generally of the island for colonization and settlement, was unanimous in attributing to the island productive soil, fine timber, excellent climate, a fine harbor--one of the best on the Pacific coast, indeed the only good harbor north of San Francisco, as far as Sitka,--productive fisheries and abundant supply of coal³. Hon. Mr. Ellice pointed out the fact that with its supplies of coal and timber and its excellent harbor, Vancouver's Island should become the principal British naval station on the Pacific⁴.

The witnesses differed as to the causes for the failure of increase of settlers in the island; some said that it was the fault of the Company, that it traded in everything, prevented buyers from trading with others, and charged exorbitant prices⁵, that justice was not administered fairly in its courts⁶, that it offered positive impediments to colonization instead of encouraging it⁷. Some stated that the distance from England, and the nearness of the California gold fields had prevented the settlement and progress of the island⁸.

1--Reports from Committees. XV: 333-4. 2--Ibid. 334.

3--Ibid. 114-5, 119, 259, 286. 4--Ibid. 335. 5--Ibid. 200-1, 286.

6--Ibid. 191, 193. 7--Ibid. 198. 8--Ibid. 259.

There is no doubt that the conditions imposed by the Colonial Office upon the sale of land,--that it should be sold for not less than 1£ per acre, that every purchaser of 100 acres should bring out five laborers from England, etc.--did operate disastrously for settlement, especially as free grants of land were at the same time being made in the near country of Oregon¹.

Mr. Ellice asserted that not only had the Company thrown no difficulties in the way of colonization, but that they had already expended some 80,000£ of capital in sending settlers and improving the country, a policy which would prove ruinous to the Company if continued, as there had been no return whatever; it was a mistaken policy on the part of the Company to accept the grant and the government should reenter into possession of the island, the sooner the better². In view of all this evidence the Committee made its recommendation that the connection of the Hudson's Bay Company with Vancouver's Island be terminated as soon as it could conveniently be done³.

After examining and sifting the mass of evidence collected, the Committee agreed to a report, the most important provisions of which related to Rupert's Land, Canada, and Vancouver's Island. Their recommendations concerning these subjects were as follows; that, whatever might be the validity or otherwise of the rights claimed by the Hudson's Bay Company, it was desirable that they should be allowed a continued enjoyment of exclusive trade in such

1--Reports from Committees.XV: 209,286-7,289,334. 2--Ibid. 334-5. 3--Ibid. p.iv.

regions Rupert's Land and the Indian Territory, which at that time at least were unfit for European colonization. This opinion was based upon the following considerations; first, the great importance to the peopled portions of British North America that law and order should be maintained in those territories; second, the fatal results which, it was believed, would infallibly result to the Indian population from a system of open competition in the fur trade; third, the probability of the indiscriminate destruction of the more valuable fur-bearing animals in a few years.¹

As to the Canadian desire to annex portions of land for purposes of settlement, the Committee thought she should be granted such lands with which she would be willing to open and maintain communications, and for which she would provide means of local administration. It was believed that the districts on the Red River and the Saskatchewan would meet these conditions².

The conclusion about Vancouver's Island has already been stated--that the connection of the Company with the island should be terminated as soon as possible, as the best means for favoring the development of the great natural advantages of that colony.

The license of 1838 expired in 1859 and was not renewed. The grant of Vancouver's Island had been for ten years, hence this too was taken from the Company in 1859. In that year, then, the possessions of the Company were reduced to those lands granted by the old charter of Charles II. Vancouver's Island and British

1--Reports from Committees. XV: iv. 2--Ibid. p.iv.

Columbia were made crown colonies, and in 1866 were united¹. In these regions the Company continued to operate, without, however, any special privileges over other traders.

The discovery of gold in the west had given a great impetus to colonizing movements; in Canada the desire to settle Rupert's Land grew in intensity, and the project of confederating the colonies strengthened yet more the eagerness to possess those territories. On the proposition of Earl Granville², the remaining territories were transferred to the British government; in 1870 they were incorporated with the Dominion of Canada.

The Company received 300,000£, were permitted to retain their forts, together with blocks of land about them, and one twentieth of the entire grant.

The last great monopoly thus expired. It had lived two hundred strenuous years. During its long life it held before it certain ideals towards which it constantly, consistently struggled. They were business ideals, pure and simple, but from the first mercy and justice were found among them. The longer they lived the more nearly they attained those ideals, and this was the great and finally ruinous mistake that the Hudson's Bay Company made--that as the world grew older, and men's ideas of civilization and of their relations to one another advanced, the old fur-company's ideals did not move forward, too; so at last they stood in the middle of the nineteenth century, controlling enormous interests of an enormous terri-

1--Enc. Brit. XII: 347. Johnson. VIII: 436. Harper's. LXXXIV: 392. 2--Larned: History for Ready Reference. I: 385. Enc. Brit. XII: 347.

tory in the New World, with industrial ideals which belonged to the seventeenth century. Their downfall was inevitable and was certain to result in great benefit to the British North America; it has also resulted in benefit to the Company, for as a corporation they still exist. Their lands are greatly enhanced in value, their fur-trade is impaired but not ruined, and they have undertaken other profitable lines of traffic.

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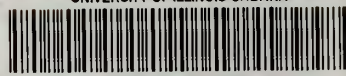
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